

HEALTH CARE SAFETY NET AMENDMENTS OF 2002 IMPACT HPSA DESIGNATIONS

Section 302 requires that all federally qualified health centers (FQHCs) and rural health clinics (RHC) (as defined by the Social Security Act) that meet the NHSC charges for services requirements “be automatically designated as having a shortage of health professionals.” No earlier than 2008, and every six years thereafter, the health centers or clinics must demonstrate that they meet the requirements for designation as specified in Federal regulations issued after October 2002.

What does this mean?

All section 330 funded health centers (including migrant and public housing), as well as non-funded but certified FQHCs and RHCs that meet the “charges for service” requirements will be considered as HPSAs, much as all Federally designated tribes are automatically designated. In six years, they will have to provide actual data to show they meet the designation criteria, but in the meantime they are deemed a HPSA.

The “charges for services” requirements are:

- Entities may not deny health services to individuals or discriminate in the provision of services because of inability to pay or because payment for services would be made under Medicare, Medicaid, or S-CHIP.
- Entities must prepare a schedule of fees for payments consistent with locally prevailing rates or charges and be designed to cover the entity’s reasonable cost. Entities must also prepare a corresponding schedule of discounts, including waivers, to be applied to fees and payments. Entities must make every reasonable effort to collect.
- Entities must accept assignments of beneficiaries under Medicare and enter into agreements with the State agency administering the Medicaid and S-CHIP program for payment of services.

Does this affect the site’s ability to receive NHSC recruitment and retention assistance?

To qualify for NHSC assistance, a facility must be located in a HPSA. Since all FQHCs and qualified RHCs are now deemed in a HPSA, they would be eligible to submit a Recruitment and Retention (R&R) Assistance application to the NHSC. If their R&R Assistance application is approved, these sites would be eligible to post vacancies on the NHSC Opportunities List to assist them in their recruiting efforts.

Will these sites be eligible service sites for NHSC Scholars and/or Loan Repayers?

Placement of NHSC Scholarship and Loan Repayment participants must give priority to HPSAs of greatest shortage. The NHSC will continue to use HPSA scores to identify HPSAs of greatest shortage. Sites that were not considered a HPSA prior to the Health Care Safety Net Amendments may have a minimal score, making them a very low priority for placement of

NHSC Scholars or potential loan repayers. These sites may submit data to obtain a HPSA score that more accurately reflects the degree of need in a given HPSA and enhances the sites' opportunity to qualify as an approved practice site for a NHSC Scholar, or to compete for a potential loan repayer. Sites in previously designated HPSAs may use the scores of these areas.

Does this affect any other programs?

The automatic HPSA designation allows eligibility for J1 Visa waiver physicians to practice in sites that may not have qualified previously. State Loan Repayment Programs will recognize these sites as HPSAs. Any other programs that use HPSA status as a factor are expected to recognize these sites as qualifying as a HPSA. The impact on the Medicare Incentive Program will be determined by CMS.